

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS SUBCOMMITTEE ON DISTRICT COURT FUNDING

Call to Order: By **SEN. JOHN ESP**, on March 13, 2003 at 5:00 P.M.,
in Room 303 Capitol.

ROLL CALL

Members Present:

Sen. John Esp, Chairman (R)
Sen. Edward Butcher (R)
Sen. Jeff Mangan (D)
Sen. Dan McGee, Vice-Chairman (R)
Sen. Linda Nelson (D)
Sen. Jerry O'Neil (R)
Sen. Joseph (Joe) Tropila (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Prudence Gildroy, Committee Secretary
Lynn Zanto, Legislative Branch

Please Note:

Audio-only Committees: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 134, 1/10/2003

Discussion:

CHAIRMAN JOHN ESP said he would like some feedback on the gray bill.

Peggy Beltrone, Cascade Co. Commissioner, advised the Youth Justice Council of Crime Control met and discussed the gray bill in concept and there was a unanimous feeling that the juvenile

defense system needed a lot of work. Taking the program to the state level would help fix the juvenile defense system. She said they are the only state in the western United States that has completed an assessment of their juvenile defense system and taking it to the state would help this program substantially. She said their council approves of the gray bill.

Lisa Smith, Administrative Services Director Supreme Court, discussed the Court Automation Surcharge Expenditure Summary. **EXHIBIT (fcs53b01)** Historically, they paid for everything out of one accounting organization. Starting in fiscal year 2001 was the first time that they contracted with a vendor to implement a case management system. They recorded expenditures separately so that they could track those costs more efficiently. They felt they would be able to separate and track personal services by 2004; currently they do not have the capability.

{Tape: 1; Side: A; Counter: 6.7}

SEN. DAN MCGEE asked what JSI stands for.

Ms. Smith said it stands for Justice Systems Inc.

SEN. MIKE WHEAT, SD 14, Bozeman, asked about the court automation surcharge and was this the \$5 that was charged or is it an appropriation.

Ms. Smith said it is the \$5 surcharge. In HB 2 they are appropriated in state special revenue to spend the \$5 surcharge and this is the amount that has been appropriated.

SEN. WHEAT referred to fiscal year 1996 stating the appropriation was \$978,400 and asked if this was this the amount that went into the General Fund.

Ms. Smith said no, that was the amount of authority that the Legislature gave them.

SEN. WHEAT asked if the section on revenue received was from the surcharges.

Ms. Smith said that was correct.

SEN. JERRY O'NEIL, SD 42, Kalispell, asked about Justice Systems Inc.

Ms. Smith said in fiscal year 2000, the court worked with the **Department of Administration** on a proposal for everything the

limited courts wanted. There was an automation advisory committee made up of members of the courts of limited jurisdiction and they decided what they wanted in a case management system. Once that was decided, the information was sent to the **Department of Administration** and they sent it out for bid. Justice Systems Inc. was won the bid process.

SEN. O'NEIL asked about the length of the contracted.

Ms. Smith said she did not think it was a specific date. The contract is to put the case management system into the limited courts throughout the state of Montana.

SEN. O'NEIL advised he read the state is buying desktop computers for \$1300 when they could go downtown and buy them for \$600 to \$800 and he wondered if this contract included those computers, etc.

Ms. Smith said they do not buy any equipment from this company. They purchase software licenses for the system and they help maintain and train on those systems. The equipment/grants is through the state standard with **Brian Wolf** and they purchase hardware for the courts. Court automation includes everything from purchasing the computers to training the people to operate them.

SEN. O'NEIL asked if Justice Systems Inc. does the programming for the court computer system.

Ms. Smith said they have developed the software/case management system for the courts of limited jurisdiction.

SEN. O'NEIL said there is at least one computer system in the courts that uses the language of advanced revelation and asked if this is the program.

Ms. Smith said the AREV program is in place in the district courts and has been built in house. The Justice System is not AREV; they are Oracle and it is built in the state standard.

{Tape: 1; Side: A; Counter: 13.3}

SEN. O'NEIL asked if the AREV was Advanced Revelation.

Ms. Smith said that was correct.

SEN. MCGEE asked about the court automation surcharge and wondered if the revenue received was the total amount of revenue received in a given year from the \$5 surcharge.

Ms. Smith said that was correct.

SEN. MCGEE discussed the total of each year between expenses and revenue that they spent and received on the court automation surcharge spreadsheet. When he added and subtracted all of those amounts there is \$511,000 more received than spent between 1996 to 2000.

Ms. Smith said that was correct.

SEN. MCGEE wanted to know where the money was and what they have done with it.

Ms. Smith said stated the cash balance sitting in the state special revenue fund, for example, at the end of 1996 carries forward into the next fiscal year. In the years where they had higher expenses than revenues, that cash balance from the year before helped to carry them through the next year. She said she didn't know for sure, but they have about \$200,000 in cash right now in the fund. They would have to go back and see why there appears to be \$500,000 because the cash balance has never been that high. They monitor this fund closely so that they know when to make the equipment purchases for the counties and make sure that they are not paying personal services at the same time.

SEN. MCGEE said HB 18 is requesting doubling the surcharge, but the average for the last seven years has been approximately \$80,000 to \$90,000 more revenue than expenses. He asked if there were other expenses that are not shown on the sheet.

Ms. Smith said with district court assumption they have 275 district court and youth court staff they need to provide computers, hardware, etc. for that they did not have previously.

SEN. MCGEE used fiscal year 1997 as an example with revenue of \$929,056 and the total expenses of \$714,525 for a difference of \$214,000. If he added all the numbers correctly, there should be \$511,000 for expenses.

Ms. Smith said that was correct, but they have prior year adjustments. She offered to provide these adjustments to the committee.

CHAIRMAN ESP felt there should be an analysis of the revenue for the committee. **Lisa Smith** said she would be happy to do that. She said another thing with IT is they have the first Information Technology Strategic Plan that the judicial branch has ever had. **EXHIBIT (fcs53b02)** She said this is one of the first times that

they have worked with ITSD in the executive branch to develop a statewide plan.

SEN. MCGEE said as legislators they are being asked to vote on HB 18 and raise the fee to \$10; this generates \$1.8M annually. With the current \$5 surcharge, there is \$500,000 and even with the adjustments he wondered why they should be increasing the fee. They are making money every year with a \$5 surcharge and wondered why they should increase it.

CHAIRMAN ESP said one of the reasons for the increase was to fund new information technology they were not responsible for before.

CHAIRMAN ESP asked about personal services. In fiscal 2002, \$328,208 was spent on personal services and he wondered what this included.

Ms. Smith advised it is the existing IT staff and consists of two network support staff, one programmer/trainer for the district court system, and three trainers for the courts of limited jurisdiction.

{Tape: 1; Side: A; Counter: 25.9}

CHAIRMAN ESP asked about the operating expenses.

Ms. Smith said the majority is travel to send their staff across the state. The Equipment/Grants is where they purchase their equipment and is recorded under grants because they grant it out to the counties and it becomes property of the county.

CHAIRMAN ESP said on the summary side they have a regular portion for operating expenses and the courts of limited jurisdiction and asked how are they broken down.

Ms. Smith said in fiscal year 2001 there was the total of \$705,086 and it is the same on the other side of the sheet. She tried to portray that since they contracted with an outside vendor they needed to isolate those costs. Those operating expenses are where they record the contract with Justice Systems Inc. The equipment/grants are the computers and hardware purchased through the state. What they record in equipment/grants is anything that they need out in the field to get the computers up and running in the court.

CHAIRMAN ESP asked if this was in the Clerk of District Court office.

Ms. Smith indicated the judicial case management system is in the Clerk of Court's Office.

SEN. WHEAT asked if most of the operating expenses are travel expenses.

Ms. Smith said yes.

SEN. WHEAT asked if they used state vehicles.

Ms. Smith said they use the motor pool vehicles and pay the state rate for hotel, meals, etc.

SEN. O'NEIL asked if the personal services for Justice Systems Inc. and the Courts of Limited Jurisdiction are included in the regular personal services.

Ms. Smith said that was correct.

SEN. O'NEIL asked what percentage is Justice Systems Inc. and the Courts of Limited Jurisdiction.

Ms. Smith advised the only personal services they incur for court automation is for six IT staff in Helena. They don't code anything to personal services related to Justice Systems Inc. etc. The reason that JSI/COLJ is grouped together is because she wanted to show JSI is in the Courts of Limited Jurisdiction. The personal services that show up in the regular column is total IT staff and their time is spent in district court, limited courts and the clerk of district courts.

SEN. O'NEIL asked if they were showing any expenses for Justice Systems Inc.

Ms. Smith said in fiscal year 2001 in the JSI/COLJ column the \$138,104 is what they paid to JSI for licenses and working with them to get the programs running. The equipment/grants is used to buy equipment for the counties to run the system.

CHAIRMAN ESP asked if the \$81,511 in the regular column was mostly for travel.

Ms. Smith said yes that was correct.

{Tape: 1; Side: B; Counter: 3.6}

SEN. O'NEIL asked if \$81,511 was paid for the six IT personnel to travel and the \$138,104 was paid to JSI.

Ms. Smith said that was correct.

SEN. O'NEIL asked how many computer technicians are they getting for \$138,104.

Ms. Smith said JSI works onsite with court personnel to get data transferred and to train them on the new system. That was done until three people the state had hired in the courts of limited jurisdiction were trained. JSI provides a help service over the phone as needed because it was getting too expensive to have them come and train people.

SEN. O'NEIL asked if this was an ongoing contract or did it terminate.

Ms. Smith said the contract covers getting the program in all of the courts and at that time they will evaluate whether they need to continue maintenance with JSI. She felt their staff would be able to provide the service to the courts.

SEN. O'NEIL asked how long would it be before the system is installed in all of the courts.

Ms. Smith said it would be installed in the Montana courts over the next biennium.

SEN. WHEAT advised he would like to have an Information Technology person available at the next meeting to answer questions.

CHAIRMAN ESP said he would like the spreadsheets on the accounting system explained. **EXHIBIT (fcs53b03)**

Ms. Smith said the spreadsheets are printed from the statewide accounting system. She explained the spreadsheets further and how they are separated out into each category. The state accounting system has running queries and they can run each judicial district to see all of the expenditures to date. They can show detail such as travel, long distance calls, gasoline, worker's comp., etc. The type of system they have set up will provide extensive detail in the next biennium.

{Tape: 1; Side: B; Counter: 17.5}

CHAIRMAN ESP asked how the sheets tie together.

Ms. Smith explained how they tie together.

Steve Bender, Department of Administration, stated his concern is that the department be adequately funded. He said they would do what they have to get it going and then responsibility and accountability will attach to the commission.

SEN. WHEAT said they have heard a lot of testimony about HB 18 and he wondered if there would be a hearing in this committee.

CHAIRMAN ESP said he asked for that information so that they had a bigger picture on the issues they are dealing with and he felt that HB 18 would be dealt with in the **Senate Finance Committee**.

Ms. Smith advised the global one percent reduction that was made in House Appropriations takes out almost \$600,000 from Judiciary and their new approach no longer works with that reduction.

ADJOURNMENT

Adjournment: 6:02 P.M.

SEN. JOHN ESP, Chairman

PRUDENCE GILDROY, Secretary

JE/PG

EXHIBIT (fcs53bad)